Per Pupil Expenditures by School
Spring Fiscal Workshops 2017

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Agenda

- Legal requirements
- Uses of information
- Tentative formula for Tennessee
- Group discussion
- Reports from groups
- Pilot
- Final Questions

Legal Requirements

Every Student Succeeds Act

- Every Student Succeeds Act (ESSA) contains new policies that will affect existing systems and structures for assessment, accountability, and reporting in Tennessee

- Key overarching themes
  - Commitment to equity
  - Increased state decision-making authority
  - Focus on the whole student/well-rounded opportunities

Every Student Succeeds Act

- Provide support, funding, intervention, and innovation for persistently low-performing *schools*

- Empower districts to drive toward student goals

Fiscal Transparency Requirement

ESSA requires that SEAs report:

"The per-pupil expenditures of Federal, State and local funds, including actual personnel expenditures and actual non-personnel expenditures of Federal, State and local funds, disaggregated by source of funds, for each local educational agency **_and each school_** in the state for the preceding fiscal year."

Deadline – December 2018 for 2017-18 school year.

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Fiscal Transparency Requirement

- Expenditures broken out by:
  - Federal
  - State and local
- Expenditures broken out by:
  - School level
  - District level

Sample Data

Meeting the basic requirement:

			Central District			Valley District			Charterama LEA
			Maple Elem	Ceder Elem	LEA average	Green School	River Acad.	LEA Average	Charterama school #1
A	School level	Federal	$1,101	$432	$554	$301	$614	$401	$1,101
B		S/L	$8,722	$7,759	$7,861	$5,493	$7,112	$6,626	$11,619
C		Sch total	$9,823	$8,191	$8,415	$5,794	$7,726	$7,027	$12,720
D	LEA level	Federal	$421	$421	$421	$589	$589	$589	$-
E		S/L	$4,597	$4,597	$4,597	$5,573	$5,573	$5,573	
F	Grand Total		**$14,841**	**$13,209**	**$13,433**	**$11,956**	**$13,888**	**$13,189**	**$12,720**

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Fiscal Transparency Requirement

- Do **not** need to budget by location
- Requirement is to **report actual expenditures**

Uses of Expenditure data

Opportunity behind school-level data

- School is an important unit in the education system
  - Currently report outcomes by school; now add expenditures by school
  - Explore what is happening, as well as what is possible, for students at each level of spending

Schools: $ Spent by Student vs. Math Score *(circle color is school's Quadrant)*
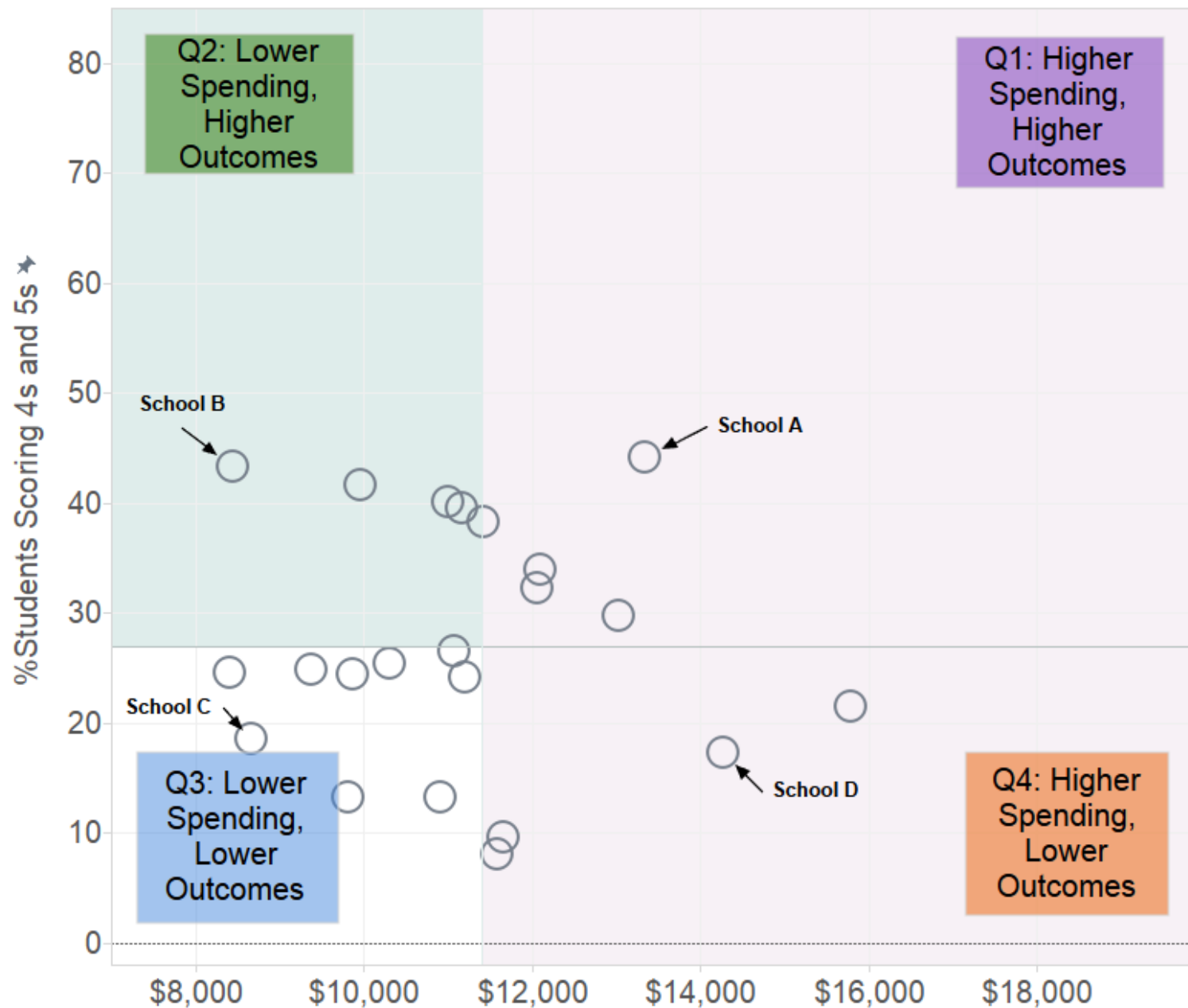
Opportunity behind school-level data

- Coupling spending and performance data by school can:
  - Activate school-level engagement to leverage dollars to do the most for students
  - Determine what kinds of spending work best with different student populations
  - Explore resource tradeoffs
  - Foster the spread of innovations

Opportunity behind school-level data

- Three areas can be explored with this data:
  - Resource allocation or equity; how does the district divide its resources between schools?
  - Efficiency or benchmarking: can similar services be provided at less cost or more efficiently? (operational focus)
  - Productivity: what outcomes are seen and how do they relate to expenditures? (student achievement focused)

School-level Data

- We will provide additional information on the report card for each school to provide context:
  - Total enrollment
  - Special education enrollment
  - English Learner enrollment
  - At-risk population
  - Pre-k enrollment
  - Number of teachers
  - JROTC programs
  - CTE programs
  - Other information to be determined

Communications

- Districts will need to understand why and how patterns happen as this data is made public.

- TDOE will assist districts in identifying causes for variance between schools' per pupil expenditures

- Directors of schools and communications teams will be given information to help in responding to questions from teachers, parents, local governments, etc.

Communications

- Possible explanations of patterns:
  - High schools
    - Often cost more per pupil than elementary or K-8
    - Higher operations and maintenance and student services costs
  - Small schools, small grade sizes
    - Elementary and K-8 variances often result from school and/or grade size
    - Student needs and program type do not drive the per pupil funding differences to the same degree as in high schools for example
  - Teacher compensation
    - Longevity of teachers
    - Differentiated pay (e.g. additional pay for hard to staff school or subject area)

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Draft Tennessee Formula

Survey Results

- 91 of 142 districts responded – Thank you!

- Salaries, benefits and utilities most often tracked by school currently

- School nutrition expenditures

- A number of districts also track instructional materials and supplies by school

- Fewer tracked textbooks by school

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Survey Results

	Salaries	Benefits	Utilities	Instructional Supplies	Textbooks
Currently tracking	45	37	48	61	19
Able to track	45	45	33	17	10
Total	90	82	81	78	29

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Draft Tennessee Formula

- TDOE will develop one uniform formula to be used to calculate
  - District-level per pupil expenditures
  - School-level per pupil expenditures
- Data will be submitted to TDOE
  - School-level in separate format to be determined
  - District-level through FERs in ePlan
- TDOE will calculate the per pupil expenditures both by district and by school
- Districts will have opportunity to review before data is published as part of the state report card each year

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Draft Tennessee Formula

- Formula itself will be published on the report card
- Will include a list of what is included in school-level expenditures and what is included in district-level expenditures

Draft Tennessee Formula

- Common formula will allow more meaningful comparisons between schools in a district, as well as schools across the state

- School-level data will likely have to be submitted via an excel spreadsheet
  – Most financial software packages have this ability

- District-level data will be taken from the Final Expenditure Report (FER) in ePlan

Formula Components

- Two parts to formula
  - School-level expenditures
  - District-level expenditures

Formula Components

- School-level
  - Salaries of personnel assigned to the school
  - Benefits (employer share) of personnel assigned to the school:
    - Social Security
    - Medicare
    - Medical insurance
    - Dental insurance
    - Life insurance
  - Instructional supplies and materials
  - Utilities
  - School nutrition expenditures

Formula Components

- Instructional supplies and materials
  - Supplies and materials charged to object code 429
  - Library books (72210-432)
  - Guidance materials used in instruction (72130-499)
  - Curriculum software

Formula Components (school level)

Numerator:

Total dollars attributable to a specific school

_____

Denominator:

Unweighted student enrollment of school on Oct. 1 of the fiscal year being reported (includes pre-K students)

Formula Components

- System-level expenditures
  - All those that are not attributed to a particular school (numerator)
    - Central Office personnel salaries and benefits
    - 'Traveling personnel' salaries and benefits
    - Office of director of schools
    - School board expenditures
    - Finance
    - Human Resources
    - Maintenance and Operations
    - Transportation
    - All others
- Number of Students (denominator)
  - District enrollment as of Oct. 1

Formula Components (district level)

Numerator:

Total dollars spent district-wide, minus expenditures attributed to individual schools, minus community services, capital outlay and debt service

Denominator:

Total student enrollment of district on Oct. 1 of the fiscal year being reported (includes pre-K students)

Formula Components

- System-wide expenditures divided by total enrollment results in a per pupil amount for system-wide expenditures

- This per pupil amount is then multiplied by the number of students at each school

- Will be the same for every student in the district

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Formula Components

- What may be excluded?
  - State decision
    - Capital outlay
    - Debt Service
    - Community services
    - Privately generated funds

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State Chart of Accounts

- Tennessee is ahead of some other states that do not have a uniform chart of accounts.
- Chart must be used with fidelity to ensure meaningful comparisons.

Group Discussion

Group Discussion

- Two positive results of providing per pupil expenditure data by school

- Two biggest challenges

- Next steps (one or two) when you return to your districts

Groups Report Out

FY17 Pilot

- Pilot for per pupil expenditures for 2016-17 school year
  - 20 districts volunteered to participate
  - Will submit school-level expenditures to TDOE at end of this year via excel spreadsheet
  - TDOE will use draft formula to calculate expenditures by school and by district

FY17 Pilot

- Goals of pilot
  - Refine data collection methodology
  - Refine formula
  - Formulate communications strategy for release of FY18 data
    - Demographic information to be published along with expenditure data
    - Highlight possible questions that may be raised
    - Develop Q & A to accompany the data

FY17 Pilot

- What we hope to learn from the pilot:
  - Data availability
  - Current school-level accounting procedures
  - Review function and object codes to help determine finally what will be reported as school-level versus district-level
  - Develop financial data collection tool to allow districts to submit school-level data
  - Analyze data
  - Develop communications tools for districts to use

FY17 Pilot Districts

- Anderson County
- Bartlett City Schools
- Cheatham County
- Clay County
- Clinton City Schools
- Cocke County
- Germantown Municipal School District
- Greeneville City Schools
- Hardin County

- Johnson City Schools
- Knox County
- Madison County
- Manchester City Schools
- Millington Municipal Schools
- Rutherford County
- Sevier County
- Shelby County
- Williamson County
- Wilson County

Final Questions

Districts and schools in Tennessee will exemplify excellence and equity such that all students are equipped with the knowledge and skills to successfully embark on their chosen path in life.

Excellence | Optimism | Judgment | Courage | Teamwork

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